

ORIGINAL



0000078180

COMMISSIONERS
MIKE GLEASON- Chairman
WILLIAM MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



RECEIVED

Executive Director

DLB

ARIZONA CORPORATION COMMISSION

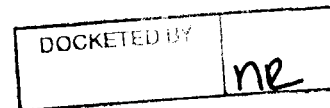
2007 OCT 26 P 2:08

October 26, 2007
Arizona Corporation Commission

DOCKETED

OCT 26 2007

Robert W. Geake
Vice President and General Counsel
Arizona Water Company
P.O.Box 29006
Phoenix, Arizona 85038-9006



RE: Arizona Water Company – Application for Extension of its Certificate of Convenience and Necessity (CC&N) Docket No. W-01445A-07-0291
INSUFFICIENCY LETTER #3

Dear Sir:

In reference to the above mentioned application filed on May 14, 2007, and the supporting documents filed on May 25, 2007, July 19, 2007, and September 28, 2007, this letter is to inform you that the application still has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiency is:

1. Please provide an estimate of how many connections the Company expects to add each year for the next five years beginning in 2008 for Parcels 1, 4, and 5.
2. How many lots will Parcels 1, 4, and 5 have at full developments, and how many years will it take for Parcels 1, 4, and 5 to build-out?
3. Staff may recommend denial of Parcels 2 and 3 because the construction may NOT commence within the next 3 to 5 years. Please provide supporting documents if the Company disagrees with Staff.

Staff would like to use this opportunity to bring the following to your attention:

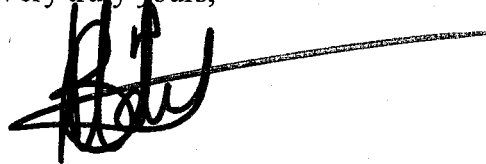
- Pursuant to the Arizona Administrative Code (“A.A.C.”) R-14-2-411(C), the time-frame for administrative completeness review shall be suspended from the time the notice of deficiency is issued until staff determines that the application is complete. Upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting.

Please file your response to this Insufficiency Letter with Docket Control.

Arizona Water Company (Docket No. W-01445A-07-0291)
Insufficiency Letter
Page 2 of 2

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 and Jian Liu at 602-542-7276.

Very truly yours,

A handwritten signature in black ink, appearing to be 'B. Chukwu', with a long horizontal line extending to the right.

Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace